

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF CHILD DEVELOPMENT AND EARLY EDUCATION

NORTH CAROLINA CHILD CARE COMMISSION

Third Quarter Meeting

Monday, February 6, 2023

In-Person and By WebEx

Commission Members Present

Zac Everhart, Chairperson

Rhonda Rivers, Vice Chairperson

Kelly Banik

Dr. Sheresa Blanchard

Susan Butler-Staub

Brooke Child

Dr. J. Lanier DeGrella

Alicia Fink

Dr. Sharon Foster

Mitchell Gold

Kimberly J. McClure

Beth Messersmith

Amelie Schoel

Janie Truesdale

Division of Child Development & Early Education Staff Present

Ariel Ford, Director

Theresa Roedersheimer, Director's Office

Dedra Alston, Director's Office

Laura Hewitt, Director's Office

Justine Rogoff, Director's Office

Nicole Boone, Director's Office

Lorena Gonzalez, Early Education

Andrea Lewis, Regulatory Services

Tammy Barnes, Regulatory Services

Alison Keisler, Regulatory Services

Lorie Pugh, Regulatory Services

Justin Clark, Regulatory Services

Melissa Stevenson, Regulatory Services

Regina Brooks, IMS Manager

Tammy Freeman, IMS Team

Charles Nweke, IMS Team

Attorney General's Office Staff

John Green, Commission Attorney

Amber Davis, DCDEE Attorney

Welcome

Chairperson Zac Everhart called the meeting to order at 10:12 a.m. and reviewed housekeeping items. He thanked everyone for being available to participate in today's meeting. He also announced there would be time set aside for public comment during this meeting.

Roll Call

Chairperson Everhart read the ethics and conflicts of interest statement and asked whether there were any member conflicts noted for today. Being there were none, he asked Ms. Dedra Alston to perform the roll call. Attorney John Green announced there was a quorum.

Chairperson's Report

Chairperson Everhart acknowledged that this is a hybrid meeting and recognized Ms. Nicole Boone for her help in setting up this meeting. Chairperson Everhart reviewed the meeting agenda items.

Chairperson Everhart asked for a motion to approve the August 1, 2022, First Quarter Commission meeting minutes.

Commission Action: **Ms. Amelie Schoel motioned to approve the August 1, 2022, First Quarter Commission meeting minutes. Ms. Kimberly McClure seconded. The Motion carried unanimously.**

Chairperson Everhart asked for a motion to approve the December 12, 2022, Second Quarter Commission meeting minutes.

Commission Action: **Vice Chairperson Rivers motioned to approve the December 12, 2022, Second Quarter Commission meeting minutes. Mr. Mitchell Gold seconded. The Motion carried unanimously.**

Director's Report – Ariel Ford

NC Department of Health & Human Services Top Priorities

Director Ford began the report by reminding everyone of NCDHHS's top priorities. These are:

- Behavioral Health and Resilience
- Child & Family Well-Being
- Strong and Inclusive Workforce

Director Ford emphasized that an overarching goal at the Division is for North Carolina's high-quality early care and learning network to help families raise healthy, capable children and a stronger North Carolina.

NC Current State of Early Educators

Across the pandemic, there was a total net loss of under 3% of the early childhood education workforce compared to an almost 10% loss across the country. Investing in early child care has paid off; there is a lot to be proud of and ways to move forward to continue to shrink this number.

NC Early Care and Education Standards

- Since March 2020, education requirements have been reduced.
- All lead teachers must now complete one class within first six months on the job.
- All additional educational requirements have been suspended and Star Ratings have been held harmless at pre-pandemic levels.
- The Division is thinking about how to make child care rules and regulations as applicable to the program as possible while maintaining a statewide sense of quality.

Driving the Shortfall

- Even with policy flexibility and a leading workforce, teachers are not making enough money to stay in the field.
- Data shows that former child care workers primarily switch to higher paying sectors.

Wage Gains Over Time

- Pre-pandemic data shows that with less education comes less pay, and over time compensation per hour increases.
- 50% of NC private providers cannot provide employer sponsored health insurance or other benefits.

Total Stabilization Grants Payments – \$743 Million

- Total ECE Staff Supported: **41,163 positions**
- Total ECE Capacity Stabilized: **379,833 slots in 99 counties**

	<u>Child Care Centers</u>	<u>Family Child Care Homes</u>	<u>Total</u>
# of Approved Programs Paid	3,148	1,179	4,326
Total Compensation	\$219M	\$11M	\$230M
Support Grants Payments			
Total Fixed Costs and Families Grants Payments	\$476M	\$36M	\$512M
Total Payments	\$696M	\$47M	\$743M

2024 North Carolina Child Care Pandemic Relief Funding Cliff

- The stabilization grant funding has been mostly spent; there is a \$1.3 Billion funding cliff.
- In the short term, the Division is looking at another bucket of ARPA funding, a portion of which was earmarked for workforce and pipeline development, to continue the compensation portion.
- The Division has been working with its partners to redirect \$150-\$170M to continue compensation grants (no more for fixed cost) through the end of calendar year 2023. There

will be 3 more payments this year to allow time for the Division to work with its partners to come up with a plan to maintain gains maintained over the pandemic.

Child Care Stabilization Grants Timeline

<u>Quarter #</u>	<u>Date</u>	<u>Estimated Pay Date</u>	<u>Fixed Costs Amount</u>	<u>Compensation Supports</u>	<u>Spend by Date</u>
5	Oct 1-Dec 31, 2022	Oct 2022	1/3 of Original	Yes	30-Sep-23
6	Jan 1-Mar 31, 2023	Jan 2023	1/3 Original	Yes	30-Sep-23
7	Apr 1-Jun 30, 2023	Apr 2023	None	Compensation Support Only	30-Sep-24
8	July 1-Sep 30, 2023	July 2023	None	Compensation Support Only	30-Sep-24
9	Oct 1-Dec 31, 2023	Oct 2023	None	Compensation Support Only	30-Sep-24

Scholarships for Early Childhood Educators

WAGE\$

- Salary supplements for:
 - Compensation
 - Education
 - Retention
- Serves ~3,100 teachers in 63 counties
- Only 9% turnover in WAGE\$ participants vs estimated 30-40% turnover in ECE
- Funded by local Smart Start Partnerships

Ms. Amelie Schoel asked for clarification on where the bonus funds come from. Director Ford responded that these are extra dollars; they are not compensation and are not paid by the child care provider, they are paid by CCSA on behalf of the local Smart Start Partnership.

T.E.A.C.H.

- Teacher scholarships
- Options to support:
 - National certificates
 - Degree programs
 - Wrap around services, e.g., transportation, internet, etc.

Child Care WAGE\$ Program

- \$1,203 Average Six-Month Supplement (+\$1.16 per hr.)
- 4018 Participants from 61 NC Counties

- 96% of participants say WAGE\$ encourages them to stay with their current program

Ms. Amelie Schoel asked if there is a breakdown by county to show who gets how much. Director Ford answered that there are county fact sheets on child care wages that can be distributed. Ms. Schoel wondered about child care deserts and how to support them in this context. Director Ford responded that the problem needs multiple solutions.

T.E.A.C.H. Early Childhood® North Carolina

“Before the T.E.A.C.H. program, I would never have attempted to take classes. I did not think, at my age and working full time, it would be possible. I have made several improvements in my program since continuing my education. Not a day goes by that I am not influenced by the positive effects of the T.E.A.C.H. program.” — Family child care home provider

Infant Toddler Educator AWARD\$ Plus

- This is a newer program, similar to WAGE\$
 - Designed to increase the education, retention and compensation of teachers and family child care educators working with our youngest children.
 - Infant-toddler teaching staff earn \$11.00/hr. on average compared to \$12.45/hr. for those who teach children who are three to five years old
- \$1288 Average Six-Month Supplement (+\$1.24 per hr.)
- \$3+ Million awarded by FY2022
- 1337 NC Teachers Impacted

North Carolina Alternative Child Care Market Rate Study

- DCDEE has partnered with the American Institutes for Research (AIR) to develop alternative models to use to set child care subsidy rates.
 - Estimate the true cost to provide high quality child care in North Carolina child care programs and
 - Use feedback from providers and other stakeholders to develop 2-3 alternative models for North Carolina to consider to set child care subsidy rates.
- This has not been done nationally before
- Working on a 1-page document to explain this study

Ms. Amelie Schoel asks if this is being brought directly to the legislature. Director Ford answered that this will be brought to the community (families, child care providers, etc.); the Division will bring recommendations received to the Commission, partners, legislature, etc.

Military Child Care in Your Neighborhood (MCCYN)

- Fee assistance for military families who can't access on-post child care
- Administered by Child Care Aware® of America
- New MCCYN-PLUS will launch in North Carolina on March 13, 2023.
- Eligibility:

- Licensed or regulated child care centers and family child care homes
- Inspected by an oversight agency once a year
- Approved national accreditation or NEW Participation in Quality Rating and Improvement System (QRIS) at 3-Star rating or higher
- Robust communications campaign planned

Dr. Foster commented that she has grandchildren in classrooms where 1/3 of the children come from military families; they could be the prototype for the families that would benefit.

The reimbursement rate was asked about; Director Ford responded that she did not have a direct quote, maybe within the \$1500-\$1700/month range. It is a subsidy for military families and details will be communicated to the community in the next month.

New Preschool Development Grant Funding Awarded to NC

- \$4 million Preschool Development Grant to enhance North Carolina's Family Child Care Home (FCCH) network:
 - Identify needs, challenges and barriers faced by family child care homes
 - Maximize parent and family engagement opportunities
 - Increase access to quality early care and learning by strengthening the FCCH network
 - Expand professional development for providers
 - Develop best practices for increasing subsidies for providers to improve program quality.

State Fiscal Recovery Fund – Expansion and Access Grant

- \$20 Million Dollars from State Fiscal Recovery Fund
- Provide grants for child care facilities and NC Pre-K classrooms particularly those in child care deserts and low-performing/high-poverty districts.
- The Division shall award one-time grants to assist with new or expanded high- quality child care initiatives:
 - Start-up costs for establishing a new NC Pre-K classroom or child care facility.
 - Quality improvements for existing NC Pre-K classrooms or child care facilities that increase the classroom or facility's capacity or upgrade its star rating.
 - Capital improvements or renovations, including adding or upgrading outdoor play and learning environments, or increasing a facility's total capacity.
- Beta testing in February; Rollout in March 2023

Healthy Social Behaviors in Child Care Centers Project

- Stress and trauma from the pandemic are still impacting teachers and children
- Free Technical Assistance: Behavior Specialists can work directly with teachers in any licensed child care center statewide.
- A variety of both CEU-level and contact-hour training events, available online or in person (*registration fees vary*).

- Plus lots of online resources, social media, tips, articles, etc.
- Information about HSB project sent in email blast to child care providers, including available resources
- Coming soon: Helpline for immediate support

Ms. Amelie Schoel asked how long the waiting list is. Director Ford responded that it varies by county, and some regions might have a longer waiting list than others.

Dr. Foster asked if those resources are available for FCCBs and child care centers. Director Ford responded that there is a lot of work locally to make sure there is alignment with projects in communities. Dr. Foster also asked if it would be helpful for any Commission members to go to communities and speak on this. Director Ford appreciated that people are passionate about this and passed the question to Chairperson Everhart and Vice Chairperson Rivers.

Solutions Focused

Current needs:

- Compensation Grant Extensions
- Increases to Child Care Subsidy
- Fund WAGES Statewide

What the Division can do:

- Military Child Care in Your Neighborhood Plus
- Reduce administrative burden and modernize technology (shared services, automate processes, etc.)
- Modernize Star Rating and Licensing Standards and processes
- Ease pathways to Early Childhood Education

Key Takeaways

- NC has so much to be proud of – historically and now
- We can build our workforce through innovation and infrastructure
- Without sustained investments, we will not be able to maintain or grow the ECE workforce

Vice Chairperson Rivers thanked Director Ford for a comprehensive report. As a provider, she thanked DCDEE for listening so intently over the last few years and leaning into the needs of children, families, and providers. Vice Chairperson Rivers thanked the Division for highlighting healthy social behaviors and expressed the importance of this. If there is anything that can be done to get more funding for this or provide insight/data from programs in order to address the growing need, please keep this in mind.

Ms. Alicia Fink thanked Director Ford for the information and asked for clarification on how there was simultaneously a 2.7% loss of teachers and a 30-40% turnover rate for early child care educators. Director Ford responded that someone might have hired 2-3 people, but then these people need to be onboarded; therefore if 30% of staff is brand new that is different than 90% of

your staff being experienced and educated. The Division is looking deeper into the data, but they know that there is more turnover and there are younger people coming into the field. This is exciting but it is not a 1:1 when a program gains a younger teacher with some/no education or experience but loses a veteran teacher. Chairperson Everhart clarified the percentages, stating that -2.7% is staff working in child care now versus before the pandemic, but there has been a 30-40% turnover to get to that, so it is two different numbers.

Ms. Fink also expressed a desire for all NC counties to participate in WAGE\$, as this could help the industry as a whole.

Ms. Amelie Schoel asked where to find the criteria for WAGE\$. Director Ford answered that this information can be found on the CCSA website and can be distributed via email.

Public Hearing and Public Comment

Public Hearing

10A NCAC 09 .0713 Staff/Child Ratios for Centers

Proposed amendments to rule 10A NCAC 09 .0713 will align it with statute and provide clarity pertaining to the staff/child ratios and multi-age group allowance. The proposed amendments would include two additional options for a child care center to choose – one that would permit a center to group four-year-old children up to age six together and the other for six-year-old children through age 12 to be grouped together. Other amendments will make this rule inclusive of all age groups served by licensed child care by adding in appropriate multi-age ratios for school-age children.

10A NCAC 09.2513 Cooperative Arrangement for Instructional Needs

The adoption of rule 10A NCAC 09.2513 will clarify a 2020 statute change to G.S. 110-86(2)(i) that exempted cooperative arrangements for “instructional needs” from child care licensure requirements. The proposed rule defines “cooperative arrangements for instructional needs” to clarify that cooperative arrangements that are for the purpose of facilitating school-aged children’s education instruction would not be subject to licensure.

10A NCAC 09 .2809 Enhanced Space Requirements

The amendment of rule 10A NCAC 09 .2809 will correct a conflict with another rule regarding outdoor space requirements in child care facilities. The amendment alters the way the space is calculated—changing it from a percentage of the capacity to the number of children using it, which is how outdoor space is calculated in the minimum standards section. This amendment is an approach to understanding the space requirements and for those interested in a two through five star rated license, building from minimum to enhanced standards. The proposed rule increases the square footage to 100 square feet of the outside learning environment for each child.

Public Comment

Lauren Hayworth – Chief Operations Officer at A Child’s World Learning Centers

Ms. Hayworth wanted to share a situation to exemplify what Director Ford talked about in her report. Ms. Hayworth shared that Wednesday is the last day of one of her veteran infant-toddler teacher's 2-week notice period. This teacher is participating in WAGE\$ and never call out, but stress and mental health takes a toll. This teacher found higher wages in a different industry that the program cannot compete with. Ms. Hayworth stated that losing someone like this veteran teacher is like losing 3-4 people, and she encouraged DCDEE to listen to and help providers, to think outside the box, and to work together to make progress.

Sherry Melton – NC Licensed Child Care Association (NCLCCA)

Ms. Melton thanked the Commission and stated that she would be speaking on behalf of NCLCCA as well as other groups. In response to Vice Chairperson Rivers’ comments, NCLCCA has put in a request with budget leaders for \$12M for a 25% expansion of technical assistance and behavioral health supports. The key problem is finding the experts when there is a shortage of mental health professionals, so it is important to be innovative in figuring out how to deliver that type of support and how to get experts together with multimedia experts. This is long term, but the demand is not going away, and this needs to be fixed. Regarding Ms. Alicia Fink’s questions, a 2.7% decrease is something to be proud of compared to other states, but it is an average so that figure is larger in some counties, and it is a big loss when programs are desperate to get teachers in the classroom. Ms. Melton also spoke on behalf of the following groups: National Accreditation Commission for Early Care and Education Programs, National Early Childhood Program Accreditation, American Montessori Society, International Montessori Council, and the Association of Christian Schools International. They are asking the Commission to consider making these accreditations an alternative path to a 5-star rating in NC and what comes with that. Currently, the QRIS system gives no quality credit for these accreditations. There are 11 ECE accreditation programs that the DoD marks as high enough quality to send military dollars to. Ms. Melton can only speak for 5 of the accreditations (the ones that were named), as the rest have not responded to efforts to reach out, but the 5 named support this request for alternative pathways.

Vernon Mason – Senior Vice President of Growth and Professional Development at The Nest Schools

Mr. Mason shared that he has been a provider for 30 years and wanted to comment on the need for multiple paths for high quality, which does not always look the same. Outside entities doing accreditations lessens the burden for the state’s overworked and under-resourced department. Addressing the 2.7% workforce loss data, Mr. Mason argued that this is a flawed number; although there are people in the workforce, it is like replacing doctors with CNAs. He does not know one provider in NC that does not have 1 teacher in a classroom designed for 2, and some centers have been operating that way for more than a year. Regarding the TEACH scholarship, a lot of people are not using it because of leave time requirements; centers cannot give teachers the leave time required in the scholarship because they do not have substitutes. WAGE\$ is a great program but people get dropped if they do not continue their education, and not every

teacher is going to continue going back to school. Mr. Mason expressed concern over the QRIS updates to an already stressed-out industry; the thought of changing QRIS is alarming unless it will become simpler, easier, and offer more paths, as now is not the time to increase requirements when many centers are struggling and. At least 50% of people applying for his program are underqualified, and they are not enrolling children because they cannot find the staff.

La’Gentry Ross – Technical Assistant, Catawba County Children’s Resource Center and Catawba County Partnership for Children

Ms. Ross hears a lot of conversations from the perspective of owners and directors but wanted to comment on T.E.A.C.H. scholarship. Ms. Ross believes a lot of providers are undereducated on T.E.A.C.H. and how it has evolved. There are a number of programs that are completely online; for instance, Ms. Ross recently completed a 2nd graduate degree as a T.E.A.C.H. recipient and the coursework was online. Education is essential; even in this crisis, it does not do any good to lower education requirements for teachers. Ms. Ross shared that she is excited to hear about the changes to QRIS requirements; the QRIS can be tone-deaf and does not speak to what is known now about the research and culturally responsible practices. Her county launched Early Childhood Academy, collaborated with local community college and had 11 registrants, so she does not want people to forget that this is important and requires more hard work and education.

Emily Habig – Vice President of Operations of the Sunshine House Early Learning Academy

Ms. Habig expressed that regarding Director Ford’s slide on pay, she believes the numbers are higher than what was provided and gave examples of several counties’ pay rates. There aren’t that many educated people out there; They are big proponents of T.E.A.C.H. and it has worked well for them, but at the end of the day there are employees who have no desire to follow a formal education path. However, they are great teachers, so there should be alternative paths for them to get the education and experience they need. The educated piece will not go away; everyone wants people to be educated, but they need to be paid to reflect their education. We need to step out of the box and think about alternatives.

Dr. Kristi Snuggs – President of Child Care Services Association

Dr. Snuggs wanted to share more information from WAGE\$ and T.E.A.C.H. and give an update. Compensation has been an issue for years and the pandemic made it worse; however, there are multiple T.E.A.C.H. scholarships that have multiple types of commitments. Some do not require release time, some do not require the center to engage, and there are some scholarships that look at alternative pathways. Dr. Snuggs encouraged people to reach out, as they would love to have conversations with people, and there are counselors standing by. They have seen a 10% increase in T.E.A.C.H. in the first half of this year, albeit some of that is probably due to turnover. As far as WAGE\$ goes, they are serving a small portion of the workforce and it is not the same education level as before, as there is a changing workforce every day. The multiple strategies from the Division are making a difference. Last year, 74% of teachers in WAGE\$ made below \$15 an hour, and this year the number is 44%. This shows that it is making a difference, and the legislature needs to understand the importance. For AWARD\$, the numbers were similar: 71% making below \$15 an hour last year, this year it was 45%. Additionally, CCSA has been commissioned through

contract with the Division to do a new workforce study; they need providers to fill out surveys so they can provide accurate data about what the workforce looks like. It is hard to get people to do it, but it is the only way to know what the true situation is. They have also received private funding to do focus groups to hear people's stories and bring that information back to the Division.

Andrea Larsen – Preschool Director at Rainbow Child Care Centers

Ms. Larsen spoke about staffing issues in schools. She works with several preschools in the area, and the struggle is significant to find educated teachers. When educated teachers do come in, they ask for no less than \$25/hour. Teachers coming straight from high school asking for minimum of \$20/hour. The biggest concern for herself and her schools is how to continue to staff when they cannot afford it and make sure the children in their care are getting the best care possible. The stabilization grants have been vital in being able to offer compensation, but looking at payroll now, the concern is to continue to pay teachers at this level when the money is gone. She is also concerned about filling spaces when she cannot hire someone for \$25/hour. There are a lot of great things, but in Wake County this is where they are.

Alicia Fink – NC Child Care Commissioner; Regional Director at Little Pros Academy

Ms. Fink thanked everyone who has spoken today and shared their personal stories. As a professional, she expressed that it sometimes may sound like they are not proponents for education, so she wanted to make it clear that people asking for help are not asking for less education requirements, they are asking for ways to get through the crisis. Education and what we do is all important and essential, but the industry is paying a lower wage with higher requirements for the job. Education is important but is not what is out there right now as a whole.

Rulemaking Petition – Yadkin County Child Care Expansion Planning Team

Carolyn Choplin – Executive Director of Smart Start of Yadkin County

Ms. Choplin wanted to talk about the Smart Start plan for child care. There has been a big change in child care over the years. She looked at 12-year-old data – in this small, rural county, 13 years ago we had 9 child care centers and 11 FCCHs. Currently, there are only 4 centers and 2 FCCHs, respectively. They have programs through school systems and 3 Head Start programs, but right now they are only talking about private child care that works with infants and toddlers. They are concerned about the decrease in numbers of child care facilities, and they are in a child care desert. They talk to parents everyday who are looking for child care, and they have to tell them there is nothing in Yadkin County, so they refer them to CCR&R to send them to adjoining counties that might also have similar issues.

They received a grant through Shallow Ford Foundation to try to recruit new FCCH providers. They got grant funding for a year and were never able to recruit anyone to open a FCCH. There is an endless supply of unlicensed child care homes, so the concern is how to get them licensed and help the families of Yadkin County with child care. Further, Yadkin County is right next to Forsyth County; as soon as providers increase education, they move across county lines to Forsyth County where they can make more per hour. They are participating in WAGE\$ and

currently have 12 participants with 8 on a waiting list, and the Smart Start board has just increased funding to hopefully eliminate the waiting list. There is 1 participant in AWARD\$ program. They also have in-house Smart Start funded Supplements for Education, where providers who are currently taking classes can get reimbursed. They are trying to keep providers in school and help them out in every way possible.

Sandi Scannelli – President and CEO of Shallow Ford Foundation

Ms. Scannelli was first contacted by the superintendent of schools because there was a child care facility closing that had a board member who was a state trooper who could not find child care. This led them into a journey of learning about child care and its complexities and layers. They did a study and published a report and had resulting recommendations – they studied Lewisville, Clemmons, and Yadkin County. They learned that for infants and toddlers, Yadkin County is the 3rd worst in the state. Many spots in Clemmons and Lewisville were occupied by those in Yadkin County, so if they could expand child care in Yadkin county, this could open spots in other counties. They came across Jeff Andrews out of Minnesota and asked him what is new out there in the field, and he shared that they were working on a project that got shot down because of COVID. It is called the Early Ed Flex Plex; it is a model patterned after a reservation in Minnesota, but they had not had a chance to introduce it. The design seemed to check off all boxes: it is a single building with 6 small child care providers within the facility; the playground space is shared among the 6 providers; there is a gym; there is office space for schools to come provide special services; they are small with no more than 12 per unit; they would be equipped so that someone entering the child care field would not have additional expense, it would be turn key so they would rent the unit and bring personal licensing and one employee. When looking at the math on the model, it addressed the issue of wages: the provider could potentially earn \$55K/year and the one employee would be \$15/hour. Each unit would have their own service kitchen, bathroom, washer/dryer, and furniture/resources. Smart Start would own the building and would be the provider of resource for each of the providers. They felt this would make it more accessible for new providers to enter the field and be part of a cohort of 6 providers that could support each other. Smart Start would also have a substitute on hand if an employee was sick. The Division came down with others to look at the floor plans and architecture and looked at everything. Director Ford and her team identified issues as they relate to current rules and spent time looking at how to overcome barriers within the rules. Lisa Hughes (Yadkin County Manager) worked with Director Ford's team to look at the petition. Ms. Scannelli expressed that if we move fast enough, we could be first in the nation to launch this model.

Alison Keisler – DCDEE Regulatory Services

Ms. Keisler has been working with Lisa Hughes on making proposed rules. There were some barriers to that licensure pathway for Yadkin County's model. They presented the plan to her team a year ago and her team started looking at what the barriers were. She made suggestions to the petition. Some of the barriers included: issuing multiple licenses, each unit in the building would be licensed individually; if it would be sustainable for one person to meet administration and lead teacher qualifications hour wise, so two people would have to serve that; shared outdoor space; etc.

Division response: technical changes they would share with the Commission, there were a few other rules that she anticipated becoming a barrier throughout the licensure process so they would not face additional barriers down the road. Proposing alongside Yadkin County that they would use a Section in the rules that we already have, .2600 Section; this Section would be specific to this type of model and the rules within that Section all rules in the Chapter apply in the entire rulebook with the exception of rules in this Section. Ms. Keisler shared the rules in the petition and some of the barriers to statute. She noted that there may be additional questions/changes throughout public comment, but that this is a starting point.

Questions and Comments

Ms. Schoel asked if it will be one administrator per building or one per program. Ms. Keisler stated that each space will be licensed individually; so, this person would be the lead teacher and they would also meet the requirements in statute for having the credentials, but they would not have to meet separate administrative hours. There will be other staff in the building, but they will not be employed by the individual units.

Mr. Mitchell Gold asked if there is a floor plan. The answer was that it is proprietary, but there is an illustrative draft. The building does not actually exist yet.

Chairperson Everhart clarified that today the Commission is voting on the petition, not necessarily of nuts and bolts of how the model would work. Attorney John Green added that a petition for rulemaking is a way to begin the rulemaking process; instead of the Division/Commission member coming forward with it, anyone can petition an agency that does rulemaking to propose a rule. At this type of meeting, the Commissioners are deciding if they will vote to allow the rulemaking process to begin, where it then goes out for public comment, there is a fiscal note, there is likely a public hearing down the road, and then it comes back to the Commission after public comment to decide whether to adopt rule. Then, if the Commissioners adopt the proposed rule, it goes to Rules Review Commission that will either approve or reject it. If approved, it becomes a rule. Rulemaking is a lengthy process with a few more steps along the way. Today, if you vote “yes,” you send it out for public comment and fiscal note; however, if you vote “no,” you need to state reasons for the “no” and send those to the petitioner by the end of the 120th day, which is in March. This petition was filed right before the December meeting, so there needed to be time to review and consider. The Commission has 120 days to vote, and inaction after the 120th day is a denial of the petition which is appealable to the superior court. However, if it goes out to rulemaking and the Commission does not adopt it, the statute is silent.

Vice Chairperson Rivers expressed that she appreciates the creativity for trying to address this need. She noted that the outdoor space would need to be large enough to meet the requirements and scheduling would need to happen for shared spaces. All of the students’ needs would be met unless they go to the shared spaces.

Ms. Schoel asked if there is support from the business community and buy in from Yadkin County. The response was that beyond the business community, there is support from public schools,

government, and industry. They have not held formal focus groups in the community yet, as they do not want to get people's hopes up prematurely.

Ms. Kimberly McClure commented that this is a creative, collaborative effort, and gave the team kudos for what they have done. She shared that there are similar things; for example, in Southeast Raleigh, they are trying to find more ways to include things into one space. She noted that she believes it is a great idea.

Vice Chairperson Rivers commented that this model could be duplicated anywhere. Ms. Keisler responded that if a new Section and rules are created, it would be the concept for those who would want to recreate it.

Dr. Foster stated that looking at this model from a medical background, when a new program is rolled out, it is started as a pilot program, such that it may work or there may be lot of problems. She believes that this model is a creative pilot program that could solve some issues.

Dr. DeGrella asked for clarification about the ratio for infants and toddlers, considering the large demand for infant and toddler care. Ms. Keisler stated that the staff/child ratio would continue to be 1:5 or 2:10 for infants and the ratio would meet the age of the youngest child in the classroom.

Ms. Fink also asked about the staff/child ratios. Ms. Keisler stated that these are just ideas at this point. Ms. Fink also asked about bathrooms. Ms. Keisler stated that each unit would be self-sufficient with its own kitchenette and its own bathroom(s) and diaper changing facilities if need be. They will have to meet all pre-licensing requirements, so these are rules that are different or exceptions to what is already in the chapter. The rules in this Section are not all-inclusive but are what would look different at this type of facility.

Chairperson Everhart asked if they expect this to branch out beyond this facility. The answer is that this could spawn a center if someone has the support and is getting the hang of it.

Commission Action:	Ms. Amelie Schoel motioned to grant the amended petition. Vice Chairperson Rivers seconded. Roll call was taken and Dr. Iruka Thompson was absent. The motion carried.
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QRIS Update

Director Ford presented QRIS updates and emphasized, listening to concerns raised earlier, that QRIS going forward will not be more complicated. The Division wants to take everything learned over the past 25 years and make the system better, not more convoluted.

Quality Rating and Improvement System (QRIS)

- North Carolina has a high-quality early care and learning network that has proven to produce better education, health and economic outcomes for children and the state.
- The state has demonstrated its commitment to quality early care and learning by making QRIS part of the child care licensing system.
- 3-Year Star Ratings
 - All Programs Can Voluntarily Request Star Rating Now
 - Extending hold harmless until 6/30/2024 (proposed)
 - Cohort Model – One Year Prep, One Year Assess
- It's a good time to modernize the QRIS system!
 - Research Driven
 - Inclusive
 - Time Bound

Modernizing QRIS: Forward Together

- DCDEE will:
 - Hire project manager to support Commission
 - Ask Commission to create Sub-Committee for Program Quality
 - Summarize findings from existing QRIS research
 - Staff Commission's community engagement process
- Requests of Commission Today:
 - Establish a Program Sub-Committee
 - Volunteers for the community input process
 - Discuss draft proposed temporary rules

Director Ford introduced Ms. Kimberly Mallady, the project manager that has been hired to support the Commission. She has a lot of experience doing this kind of project management and process. Chairperson Everhart also praised her previous work as a liaison between the Division and the Commission. She has done a great job listening to what the Commission wanted and putting it together.

Ms. Amelie Schoel asked if it makes sense to do QRIS outside of rule review. Director Ford responded that this is a jump start; any rule must be reviewed every 10 years, so this would get them on the way to that review in 2025. Temporary rules would be enacted in the next few months, then the temporary rules would either be made permanent or revoked.

Chairperson Everhart asked about discussing establishing the sub-committee and asked for interested Commissioner members to provide their name. He and Vice Chairperson Rivers will go through the list and evaluate everyone's skills and backgrounds to ensure the committee has representation from all angles. It also will be a new, ad-hoc committee. Volunteers for the subcommittee were: Dr. Iheoma Iruka Thompson, Dr. Sharon Foster, Vice Chairperson Rhonda Rivers, Ms. Alicia Fink, Ms. Kimberly J. McClure, Ms. Susan Butler-Staub, Ms. Beth Messersmith, and Ms. Kelly Banik.

Attorney John Green asked if these are temporary rules. Director Ford responded that because they are asking the General Assembly to extend hold harmless, that is the justification and trigger for temporary rules. They do not have the authority to take action on them today. Director Ford stated that the legislature is open to this, as there is still a pandemic crisis going on, especially with the impact of the pandemic on hiring.

Vice Chairperson Rivers and Chairperson Everhart will form the sub-committee and acknowledged the input from public comment on QRIS. Director Ford offered to bring the temporary rules as they are being developed to the sub-committee.

Ms. Amelie Schoel stated that the goal should be to make things easier for our providers, and therefore the Division should get input from providers.

Ms. Beth Messersmith asked if the Division is making sure to budget enough for community engagement (translation, travel, etc.) and thinking about accessible times for families to be part of it.

Update on Rulemaking

10A NCAC 09 .0102, .0601, .1707, .1725, .2204, .2206, and .2209

Ms. Alison Keisler is working on the lead and asbestos rules, and they are almost finished. They are working with economic analysts, and .1725 is the last rule they are working on, so hopefully they will be done by May. Ms. Amelie Schoel asked for there to be a description to reference when discussing rule numbers, and this will be done moving forward.

Impact Analysis (Fiscal Note) – May Vote to Approve and Publish

10A NCAC 09 .2703 -- Criminal History Record Check Requirements for Child Care Providers

Ms. Alison Keisler and Ms. Amber Davis discussed the impact analysis for Rule 10A NCAC 09 .2703. Rule .2703 is proposed for amendment in response to a law change in NC that now reflects federal law, including the requirement that providers get a background check every five years, rather than every three years. Now that OSBM has reviewed the fiscal note, the Commission has the opportunity to vote to publish and approve both the final version of the rule and the fiscal note.

Ms. Amelie Schoel asked for clarification on people coming from out of state.

Ms. Davis noted that the fiscal note here is a bit different than usual; because this is a statute change, the fiscal note processes a little differently.

Commission Action:

Vice Chairperson Rivers motioned to approve the fiscal note and vote to publish the fiscal note and rule for 10A

NCAC 09 .2703. Ms. Brooke Child seconded. Roll Call was taken and Dr. Iruka Thompson was absent. The Motion carried.

Chairperson Everhart thanked everyone that had a hand in getting through the COVID-19 pandemic. Here noted that there is a big silver lining in terms of child care becoming a critical industry for North Carolina, and everyone should be proud of how relief dollars were spent and allocated. We have to get through the labor and workforce pieces, but we will come out of this better than before.

Chairperson Everhart adjourned the meeting at 2:23 p.m.